



## **Consolidated Annual Plan Fiscal Year 2002-03**

This Consolidated Annual Plan delineates the City's plans for use of funds during the fiscal year 2002-03. The Plan describes: A) the resources available for program implementation; B) activity to be undertaken; C) monitoring; D) homelessness; E) anti-poverty strategy; F) coordination; G) obstacles to underserved needs; H) geographic location for expenditure of CDBG funds; and I) objectives. This plan is consistent with the priority housing needs, priority homeless needs, priority special needs populations, and priority non-housing community development needs listed in the City of Chula Vista's Consolidated Plan for Fiscal Years 2000-2005.

### **A. HOUSING AND COMMUNITY DEVELOPMENT RESOURCES**

#### **Financing Resources**

Financing resources for addressing housing and community development needs are fairly limited for the City. To ultimately reach the goals of the City, a variety of resources must be used to achieve each objective. Table 1 describes the eligible activities of a variety of resources identified in this section. The limited City resources must be leveraged with additional funds from private and public sources and programs. Partnerships with banks, nonprofit, and private developers are needed. Achieving these goals requires community volunteer efforts to raise funds, solicit grants and donate time. The City can facilitate the use of developers and potential homeowners of tax-exempt financing (bond issuances), low income tax credits, and other tax credit programs.

The City anticipates using the following federal programs for implementation of the Consolidated Annual Plan:

- Community Development Block Grant (CDBG) - the City is an entitlement City and receives an annual grant from the federal government. These funds can be used for public facilities, services, or housing for low-income (80% and below the median County income) persons. For FY 2002-03 the City is expected to receive \$2,085,000 in CDBG funds
- HOME Program - the City also receives an annual grant from the HUD program through a jurisdictionally competitive process. The funds can be used for new housing construction, housing rehabilitation, rental assistance or to assist first time homebuyers. For FY 2002-03 the City is expected to receive \$935,000 in HOME funds.
- Section 8 Rental Assistance - the County of San Diego operates the City's program and will receive HUD funding for the next five years to provide rental assistance for low-income families (50% of median County income).
- Stewart B. McKinney Homeless Act - a variety of programs are available to fund homeless transitional housing programs and emergency shelters.
- HUD 202 Program - funds are for new construction of senior housing.
- Federal tax-exempt housing revenue bonds provide low interest bonds for the acquisition and construction of low income housing projects.

The City also plans to use funds through the following State or local government programs:

- **Redevelopment Agency 20% Set-Aside Program** - every year, the City's Redevelopment Agency sets aside approximately twenty percent of the tax increment revenue it generates from its five redevelopment project areas to be used for the development and rehabilitation of affordable housing.
- **Mortgage Credit Certificate Program** - tax credits for first-time homebuyers. To date the City has assisted approximately 210 first-time homebuyers. The City currently participates in the Regional MCC Consortium administered by the County of San Diego.

The City supports the application of other entities within the City for programs which would assist the City in reaching the goals of the Plan. These programs include Emergency Shelter Grant, Supportive Housing, Housing for Persons with AIDS, low income housing tax credits, and mortgage revenue bonds. See Table 2: Support of Applications by Other Entities.

As other programs from the State and Federal government arise during the five-year planning period which will assist the City in reaching the goals and objectives of the Plan, the City will pursue those resources.

### **Non-Profit Resources**

Non-profit housing developers and service providers are a critical resource to the City. The following developers and service providers are some of the non-profits who have been active in the City and play an important role in the Plan.

- *Local Initiative Support Corporation (LISC)* - Residential, commercial or mixed-use projects serving low income persons. LISC offers non-profit capacity building and pre-development grants and loans.
- *California Community Reinvestment Corporation (CCRC)* - Provides permanent financing of multi-family rental and limited equity housing cooperatives.
- *South Bay Community Services (SBCS)* - Multi-service social service agency and affordable housing developer working closely with the City on numerous community improvement projects.

### **For-Profit Resources**

- *Bank of America* - Residential, commercial or mixed-use projects serving low income persons. Bank of America offers assistance in the form of construction loans and rehabilitation loans.

**TABLE 1  
PUBLIC AND PRIVATE RESOURCES AVAILABLE  
FOR HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES**

| <b>Program Type</b>                                       | <b>Program Name</b>                                       | <b>Description</b>   | <b>Eligible Activities</b>   |
|---|---|--|--|
| <b>1. Federal Programs</b><br><br>a. Formula/Entitlements | HOME<br>2002-03 Funding -<br>\$935,000                    | Flexible grant program awarded to the City on a formula basis for housing activities.  | Acquisition<br>Rehabilitation<br>Home Buyer Assistance<br>Rental Assistance  |
|   | CDBG 2002-03<br>Funding \$2,085,000                       | Grants awarded to the City on a formula basis for housing activities.  | Acquisition<br>Rehabilitation<br>Home Buyer Assistance<br>Economic Development<br>Homeless Assistance<br>Public Services           |
|   | Housing Opportunities<br>for Persons with AIDS<br>(HOPWA) | Entitlement and Competitive Grants for Housing Assistance and Supportive Services for PHAs. Grants awarded to City on a formula basis, are administered by the County. | Public Housing Ownership (HOPE1)<br>Home Ownership of Multi-Family Units (HOPE2)<br>Home Ownership for Single-Family Homes (HOPE3) |
|   | HOPE  | Home ownership assistance awarded on a competitive basis, requires non-federal matching funds.   |  |

**TABLE 1**  
**PUBLIC AND PRIVATE RESOURCES AVAILABLE**  
**FOR HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES**  
**(continued)**

| <b>Program Type</b>                 | <b>Program Name</b>                    | <b>Description</b>  | <b>Eligible Activities</b>   |
|-------------------------------------|--|---|--|
| b. Competitive Programs (continued) | Emergency Shelter Grants (ESG)         | Grants to improve quality of existing shelters/increase number of new shelters for the homeless. Funds are awarded to local non-profits through the State.                  | Homeless Assistance<br>Acquisition<br>New Construction<br>Rehabilitation<br>Support Services |
|                                     | Section 8<br>Rental Assistance Program | Rental assistance payments to owners of private market rate units on behalf of very low income tenants. Administered by OCHA.   | Rental Assistance  |
|                                     | Shelter Care Plus                      | Grants for rental assistance offered with support services to homeless with disabilities and disabled households.   | Rental Assistance  |
|                                     | Section 202                            | Grants to non-profit developers of supportive housing for the elderly.  | Acquisition<br>Rehabilitation<br>New Construction<br>Rental Assistance<br>Support Services   |
|                                     | Section 811                            | Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities. | Acquisition<br>Rehabilitation<br>New Construction<br>Rental Assistance                       |

**TABLE 1**  
**PUBLIC AND PRIVATE RESOURCES AVAILABLE**  
**FOR HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES**  
**(continued)**

| Program Type                       | Program Name  | Description  | Eligible Activities  |
|------------------------------------|---|--|--|
| b. Competitive Program (continued) | Economic Adjustment Assistance - Sudden and Severe                        | Provides funding for areas facing actual or threatened unemployment as a result of sudden economic dislocation.  | Public facilities/ services<br>Business Development Planning<br>Rent supplements<br>Mortgage payment assistance<br>Research<br>Technical assistance<br>Training<br>Relocation of individuals and unemployment compensation |
| <b>2. State Programs</b>           | Emergency Shelter Program   | Grants awarded to non-profit organizations for shelter support services.   | Support Services   |
|                                    | Mobile Home Park Conversion Program                                       | Funds awarded to mobile home park tenant organizations to convert mobile home parks to resident ownership.   | Acquisition<br>Rehabilitation  |
|                                    | California Housing Finance Agency (CHFA) Multiple Rental Housing Programs | Below market rate financing offered to builders and developers of multi-family and elderly rental housing. Tax exempt bonds provide below-market mortgage money. | New Construction<br>Rehabilitation<br>Acquisition of Properties from 20 to 150 units   |

**TABLE 1**  
**PUBLIC AND PRIVATE RESOURCES AVAILABLE**  
**FOR HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES**  
**(continued)**

| <b>Program Type</b>                     | <b>Program Name</b>  | <b>Description</b>   | <b>Eligible Activities</b>  |
|---|--|--|---|
| <b>2. State Programs</b><br>(continued) | California Housing Finance Agency Home Mortgage Purchase Program | CHFA sells tax-exempt bonds to make below market loans to first time home buyers. Program operates through participating lenders who originate loans for CHFA purchase.                                      | Home Buyer Assistance   |
|   | Mortgage Credit Certificate Program                              | Income tax credits available to first time home buyers for the purchase of new or existing single-family housing. Local agencies make certificates available.  | Home Buyer Assistance   |
|   | Low Income Housing Tax Credit                                    | Tax credits available to individuals and corporations that invest in low income rental housing. Tax credits sold to corporations and people with high tax liability and proceeds are used to create housing. | New Construction Rehabilitation Acquisition   |
|   | California Housing Rehabilitation Program - Owner Component      | Low interest loans for the rehabilitation of substandard homes owned and occupied by lower income households. City and non-profit sponsor housing rehabilitation projects                                    | Rehabilitation<br>Repair Code Violations<br>Accessibility Improvements<br>Room Additions<br>General Property Improvements |

**TABLE 1**  
**PUBLIC AND PRIVATE RESOURCES AVAILABLE**  
**FOR HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES**  
**(continued)**

| <b>Program Type</b>                            | <b>Program Name</b>  | <b>Description</b>  | <b>Eligible Activities</b>   |
|--|--|---|--|
| <b>2. State Programs</b><br>(continued)        | Defense Adjustment Matching Grant  | Provides a portion of matching funds required by communities seeking federal funding for defense-related economic adjustment strategies and programs. | Matching funds to obtain federal planning and implementation grants for defense conversion and base closure response activities. |
| <b>3. Local Programs</b>                       | Chula Vista Redevelopment Agency<br>2002-03 Funding-<br>Approximately \$2.6 million. | 20 percent of Agency funds are set aside for affordable housing activities governed by state law.   | Acquisition<br>Rehabilitation<br>New Construction  |
| <b>4. Private Resources/Financing Programs</b> | Federal National Mortgage Association (FNMA)   | Loan applicants apply to participating lenders for the following programs:  | Home Buyer Assistance  |
|  | a. Community Home Buyers Program   | Fixed rate mortgages issued by private mortgage insurers.   | Home Buyer Assistance<br>Rehabilitation  |
|  | b. Community Home Mortgage Improvement Program                                       | Mortgages which fund the purchase and rehabilitation of a home  | Home Buyer Assistance  |
|  | c. Fannie Neighbors  | Low Down Payment Mortgages for Single Family Homes in under served low income and minority communities.   |  |

**TABLE 1**  
**PUBLIC AND PRIVATE RESOURCES AVAILABLE**  
**FOR HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES**  
**(continued)**

| Program Type   | Program Name   | Description  | Eligible Activities                               |
|--|--|--|---|
| <b>4. Private Resources/Financing Programs</b> (continued) | California Community Reinvestment Corporation (CCRA) | Non-profit mortgage banking consortium designed to provide long term debt financing for affordable multi-family rental housing. Non-profit and for-profit developers contact member banks. | New Construction<br>Rehabilitation<br>Acquisition |
|  | Federal Home Loan Bank Affordable Housing Program    | Direct subsidies to non-profit and for-profit developers and public agencies for affordable low income ownership and rental projects.  | New Construction                                  |

**Table 2**  
**U.S. Department of Housing and Urban Development**  
**CPD Consolidated Plan**  
**Support of Applications by Other Entities Report**

| <b>Funding Source</b> |                                     | <b>Support Application<br/>by Other Entities?</b> |
|-----------------------|-------------------------------------|---|
| <b>A.</b>             | <b>Formula/Entitlement Programs</b> |   |
|                       | ESG                                 | Y   |
|                       | Public Housing Comprehensive Grant  | Y   |
| <b>B.</b>             | <b>Competitive Programs</b>         |   |
|                       | HOPE 1                              | Y   |
|                       | HOPE 2                              | Y   |
|                       | HOPE 3                              | Y   |
|                       | ESG                                 | Y   |
|                       | Supportive Housing                  | Y   |
|                       | HOPWA                               | Y   |
|                       | Safe Havens                         | Y   |
|                       | Rural Homeless Housing              | Y   |
|                       | Section 202 Elderly                 | Y   |
|                       | Section 811 Handicapped             | Y   |
|                       | Moderate Rehab SRO                  | Y   |
|                       | Rental Vouchers                     | Y   |
|                       | Rental Certificates                 | Y   |
|                       | Public Housing Development          | Y   |
|                       | Public Housing MROP                 | Y   |
|                       | Public Housing CIAP                 | Y   |
|                       | LIHTC                               | Y   |

## B. ACTIVITIES TO BE UNDERTAKEN

Table 3: Funding Sources illustrates the City's CDBG and HOME allocations and program income available for the coming fiscal year.

**Table 3**  
**U.S. Department of Housing and Urban Development**  
**CPD Consolidated Plan**  
**Funding Sources**

|  |                    |
|--|--------------------|
| Entitlement Grant (includes reallocated funds)           | \$3,020,000        |
| Unprogrammed Prior Year's Income not previously reported | \$0                |
| Surplus Funds  | \$0                |
| Return of Grant Funds                                    | \$0                |
| Total Estimated Program Income                           | \$0                |
| <b>Total Funding Sources:</b>                            | <b>\$3,020,000</b> |

## C. MONITORING

Careful evaluation of the housing and public service delivery system can be the most effective tool in detecting gaps and making appropriate modifications. Chula Vista monitors its sub-grantees, conducts in-house reviews of progress reports and expenditures and performs on-site visits to ensure compliance with federal regulations. Agreements made with sub-grantees encourage uniform reporting to achieve consistent information on beneficiaries. Technical assistance is provided when necessary.

## D. HOMELESSNESS

The City of Chula Vista will continue to support the efforts of South Bay Community Services transitional and short-term housing projects which assist the homeless and in addition, will fund the following projects to help the homeless in fiscal year 2002-03:

- Thursday's Meal
- San Diego Regional Task Force on the Homeless
- Lutheran Social Services - Project Hand
- County of San Diego - Cold Weather Shelter Voucher Program

## E. ANTI-POVERTY STRATEGY

As part of the City's Anti-Poverty Strategy, the City will endeavor to integrate social services and housing activities for households below the poverty line. These efforts include, but are not limited to the following:

- South Bay Community Services KIDSBIZ Program: This program teaches At-risk youths to use their entrepreneurial skills in a positive way. Teenagers are taught to develop their own business plans and to run their own business.
- Earned Income Tax Credit Program: SBCS has hired a program coordinator to do outreach and education to community residents about the Earned Income Tax Credit. This coordinator assists in qualifying citizens in applying for the tax credit. The goal of this program is to have 200 families receive the tax credit. Eligible families are working parents with children earning under \$25,000 per year.
- Park Village Apartments: On-site day care and job training services are offered at this very low income apartment complex.

- Casa Nueva Vida I & II: Residents are required to secure an income and save money for their first month's rent plus security deposit. They are referred to outside job training agencies for help in securing a job. Independent living skills are taught in areas of health, nutrition, immunizations, parenting, and other pertinent issues. Individual and family counseling is also offered.

## **F. COORDINATION**

The City will coordinate and implement its strategies through the following activities:

*Activity:* Target available CDBG funding to those areas and population exhibiting the greatest need.

*Activity:* Encourage social service providers to work with developers and CHDOs to provide service-enriched housing. Services include health care referrals, financial counseling, and case management.

*Activity:* Assist county, state, federal, educational, and private organizations involved in economic development and job training in targeting their efforts toward those areas of Chula Vista exhibiting the greatest need.

## **G. OBSTACLES TO UNDESERVED NEEDS**

The City is continuing in its effort to remove obstacles to undeserved needs throughout the community. The City has made a commitment to budget CDBG funds at the maximum allowable to offer citizens much needed programs and services in the area of literacy, job training, youth activities, senior services, violence prevention, and health care assistance for low-income families.

## **H. GEOGRAPHIC AREAS FOR EXPENDITURE OF CDBG FUNDS**

The City plans to use CDBG funds in areas of the City where improvement is most needed. Many of the projects assisted with CDBG are located in the western portion of the City which is also the oldest areas where infrastructure improvements and revitalization is needed. The City continues to implement ADA improvements throughout the community as required by federal mandate.

## **PROPOSED 2002-03 HOME BUDGET**

The Federal HOME Investment Partnership Program (HOME) allocated funds by formula directly to state and local governments to promote affordable housing. Participating jurisdictions are able to provide this assistance to both for-profit and non-profit housing developers or directly to qualified home buyers or renters. The assistance may take the form of grants, loans, advances, equity investments, and interest subsidies.

To date, the City has been allocated \$6,673,000 in HOME funds since 1992 when the program was created. HOME funds may be used to provide affordable rental housing and home ownership opportunities through new construction, acquisition, rehabilitation, and tenant-based rental assistance. In addition, HOME funds can be used to fund operational costs for Community Housing Development Organizations (CHDO). A CHDO is a non-profit, community-based organization that has, or intends to retain, staff with the capacity to develop affordable housing for the community it serves. Currently, the City has four (4) designated CHDO's: [1] MAAC Project; [2] Habitat for Humanity; [3] South Bay Community Services; and Interfaith Housing.

The City is required to provide a 25 percent match for HOME funds used for rental assistance, housing rehabilitation, and acquisition of standard housing. A 30 percent match is required for new construction. Some examples of allowable matching contributions would include Redevelopment Agency Low and Moderate Income Housing Funds, land value (donated or a loan), on and off-site improvements, waiver of local and state taxes or fees, voluntary labor in connection with site preparation. If a project exceeds the required match, the excess credit can be applied to future projects. The table below delineates the uses of HOME funds for fiscal year 2002-03.

**Table 4**  
**ESTIMATED 2002-03 USE OF HOME FUNDS**  
**CITY OF CHULA VISTA 1**

| <b>Funding Requests</b>                           | <b>Recommended Funding</b> |
|---|----------------------------|
| Staff Administration                              | \$93,500                   |
| Community Housing Development Organization (CHDO) | \$140,250                  |
| Affordable Housing Projects                       | \$654,500                  |
| SBCS - Office Rent                                | \$46,750                   |
| <b>TOTAL</b>                                      | <b>\$935,000</b>           |

The following is a brief description of the above HOME activities being recommended for funding:

#### **Staff Administration**

Administrative costs for city staff to oversee the HOME program. These administrative costs represent 10% of the HOME budget. These costs include staff costs for coordination, accounting, environmental review, and HUD reporting requirements.

#### **CHDO 15% Set Aside**

Per HUD regulations a City is required to set-aside 15% of the annual allocation for Community Housing Development Organizations (CHDO) to assist the City in development and/or support in providing affordable housing projects for low and moderate income families. For FY 2002-03, the City of Chula Vista is setting aside \$140,250 for CHDO housing projects. These funds will be awarded on a competitive basis.

#### **CHDO Operation**

The \$46,750 proposed for CHDO operation costs is earmarked for South Bay Community Services.

#### **CHDO Monitoring**

A careful evaluation of the CHDO delivery system is an effective way to determine the organization is carrying out the goals and objectives in providing affordable housing. The City of Chula Vista will be monitoring South Bay Community Services in the same manner that it monitors CDBG sub-recipients. An annual financial examination of the organization will be performed along with requiring South Bay Community service to submit quarterly progress reports. At year end, staff will tour the South Bay Community Services facility and related projects that were assisted with HOME funds.

#### **Geographic Location for HOME Funds**

The City of Chula Vista has committed HOME funds to various projects throughout the city. These projects are designed to target low and moderate-income households at or under 60% of median income. A major commitment is a newly created down payment and closing cost assistance to assist first-time homebuyers on a city-wide basis.

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<sup>1</sup> The City has the option to modify the amounts by category in the future without HUD approval if the need arises.

## **Barriers to Affordable Housing**

The City actively encourages developers to set-aside 10% of newly developed units for affordable housing purposes. The City also strongly supports the County of San Diego's effort at supplying public housing such as Dorothy Street and L Street. As part of the Housing Element, the City works closely with developers in negotiating affordable housing agreements which require a 10% unit set-aside for low and moderate income housing. Five percent for households at or below 80% of median income and 5% for moderate income households. Projects that meet this criteria are Rolling Hills Ranch (116 senior and 30 family units) and Otay Ranch (242 units). Both of these projects are located on the Eastern portion of the city. Low and Moderate Income Housing Funds have been targeted for these projects, however HOME funds could also be used.

Due to the increase price of for-sale housing, the City is developing a down payment assistance program. Since the down payment and closing costs require a large cash outlay, the transition from rental to for-sale housing can be a hardship for most low and moderate-income households. The City will provide subsidy funds for the down payment in the form of a loan and will also provide a portion of the closing costs in the form of a grant.

## **Maintaining Affordable Housing**

In 1968, HUD developed the 236 program that provided both mortgage insurance and mortgage interest reduction to any for-profit or non-profit developer who agreed to build affordable housing units for families. Chula Vista has four projects which were HUD financed using the 236 program. Currently, two of these projects are nearing the expiration of the affordability term. Castle Park Garden Apartments consisting of 62 non-elderly units and Rancho Vista Apartments consisting of 24 non-elderly units. The city is attempting to preserve these units through a partnership with the apartment owner, lending institutions, and non-profit organizations.

The City also maintains affordable housing through the Community Housing Improvement Program (CHIP). The purpose of this program is to assist low income households rehabilitate their existing home. Both single-family and mobile homes are eligible to receive assistance. Currently, Low and Moderate Income Housing funds are used to fund this program. For fiscal year 2002-03 the City anticipates assisting 40 single-family households with over \$800,000 in loans. For the mobile home grant program, the City anticipates assisting 33 households.

## **Lead-Based Paint**

The City currently assists homeowners alleviate lead-based paint hazards through the Community Housing Improvement Program (CHIP). When lead-based paint is discovered through the rehabilitation of the property, funds are used to remove and dispose of the paint chips and to repaint the house. The City utilizes the Low and Moderate Income Housing Funds for this purpose. The City expects to use HOME funds to rehabilitate some homes. With the newly implemented lead-based paint legislation, Chula Vista will be designing a lead-based paint hazard program to provide information to Chula Vista residents and measures to limit the impact of lead-based paint.

## **Housing Authority**

In 1995 the City received HUD certification to operate as a Housing Authority. The focus of the Chula Vista Housing Authority is on the development of affordable housing through land acquisition, bond indebtedness, and rehabilitation of the existing housing stock. The Section 8 rental assistance program will continue to be administered by the County of San Diego. Chula Vista fully supports the County of San Diego in their application for vouchers.

## **City Administration**

The City can allocate 10% or \$93,500 of its HOME funds for administration. These funds will be used for overall administration and coordination of the HOME Program as well as staff time devoted to individually HOME-funded projects and programs. HOME funds used for administration do not require a match.

## I. OBJECTIVES/ACHIEVEMENTS

### 1. PRIORITY HOUSING NEEDS

This section describes Chula Vista's strategies for addressing housing needs which are identified as High or Medium priorities.

#### Priorities for Allocating Investment Geographically

Housing assistance can be generally described as available throughout the entire City. Homeownership activities, preservation of at-risk affordable housing, rehabilitation of owner-occupied housing, and mixed income rental housing acquisition and development can occur in any area of the City exhibiting need or project feasibility (subject to program guidelines).

Site selection guidelines of the City ensure that all units are built or acquired in areas of the City where there is adequate services such as schools, health care, transportation and or recreational services.

#### **PRIORITY 1.1                      Continue the housing rehabilitation, rental rehabilitation, and mobilehome rehabilitation programs in order to preserve the City's aging housing stock**

Since the inception of the Redevelopment Agency's rehabilitation programs, these programs have served almost exclusively very-low income households whose dwelling units were in dire need of rehabilitation. In order to preserve the City's aging housing stock and provide decent places for people to live, the Agency will continue doing moderate rehabilitation. For fiscal year 2002-03 the City anticipates rehabilitating 25 mobile homes and 40 single family homes.

#### **PRIORITY 1.2                      Continue to implement the City's Affordable Housing Program so that more newly constructed rental and for-sale units are made available to low, moderate, and middle income households.**

Chula Vista is very fortunate because a large portion of the City is yet to be developed. In an effort to gain more housing units affordable to low and moderate-income groups in the undeveloped areas and to promote a balanced community, the Affordable Housing Program was developed. Census Data for 1990 shows that the City lacks affordable rental and for-sale units to persons and families in the above income groups. The five year objective as outlined in the Consolidated Plan has targeted this as a High Priority for very low and low income family rental units with construction of 250 low and moderate income units (80% and below) and 345 middle and above middle income units (81% to 120%). Medium Priority is assigned to low and moderate income family for-sale units. Currently, the following Affordable Housing Agreements were negotiated and approved:

- **EastLake Trails** – EastLake Development Company. This for-sale development will provide 33 for-sale units targeting 80% of area median income. The City will provide HOME funds for the down payment and closing cost assistance.
- **Otay Ranch** - This development will provide a total of 242 units of which 91 units will be targeted to senior households. The City expects to provide financial assistance in the amount of \$910,000 in low and moderate income housing funds. This project is located in the Eastern territory of the City.
- **Rolling Hills Ranch** – The development expects to provide a total of 116 units and will target low-income seniors. The City will not provide any financial assistance. The project is located in eastern Chula Vista.

### **PRIORITY 1.3**

#### **Assist low, moderate and middle income residents to become homeowners.**

According to SANDAG and data compiled from the San Diego Union-Tribune Newspaper, approximately 30% of all households could afford to purchase a single family home in the San Diego region in 1993, and it is estimated that approximately 25% of Chula Vista residents can afford a median priced single family home in Chula Vista. This percentage does assume, however, that these individuals have the down payment for a loan and a well established credit history. The City assists moderate and middle income residents by offering the following programs:

- ***Mortgage Credit Certificate Program (MCC)*** – The County of San Diego administers the MCC program on behalf of Chula Vista and allows eligible buyers to take 20% of their mortgage interest as a tax credit on their federal income taxes. To be eligible for the program in non-targeted census tracts, a household must be a first-time home buyer, buy a home in Chula Vista, and earn less than 115% of County Median Income. (A targeted census tract is one where 70% or more of the households earn 80% or less of the County Median Income). The current objective is to assist 7 moderate income families. The funding source for this program has continue to decline.
- ***Reissued Mortgage Credit Certificate Program (RMCC)*** - The City of Chula Vista participates in the RMCC program administered by the County of San Diego. This program allows existing MCC holders to take advantage of lower interest rates to refinance their mortgage without losing the benefit of their MCC.
- ***Lease to Own Program*** – Staff is working with the County of San Diego along with other participating jurisdictions to offer a lease program. This program will be available to Chula Vista residents. Qualifying households who participate in the program will qualify for a home. Instead of making mortgage payments, the household will make lease payments for a period of three years. Upon the expiration of the lease, the household qualifies for the home and assumes the mortgage.
- ***Citywide First Time Homebuyer Program*** – The City expects to implement a citywide first time homebuyer program during fiscal year 2002-03. This program will target households earning 80 percent of area median income. Assistance will average between \$5,000 to \$10,000 in assistance for down payment and closing cost assistance. A lead-based paint program will be a major component of the citywide first time homebuyer program.

### **PRIORITY 1.4**

#### **Continue to support non-profit corporations to develop or rehabilitate rental housing for very low and low-income households.**

In the past, the City or the Redevelopment Agency has assisted for-profit developers to develop units for low-income households. However, these for-profit developers always insist upon these affordable units eventually converting to market rate rentals, and as a result, the City only realizes the benefit of their investment for a limited period of time. If a non-profit corporation develops the housing, the units will be affordable for the long-term, and the City or the Redevelopment Agency has invested in an affordable project which will benefit very low or low income residents of the City for the usable life of the rental units. 1990 Census Data supports the fact that there is a lack of affordable rental housing in the City for these income groups. The City is currently reviewing potential rental project applications.

## PRIORITY 1.5

### **Continue to assist mobile home park residents who are faced with paying increasing rents as well as the closure of their mobile home parks.**

In the City, 35 mobile home parks provide housing to many very low and low-income families and seniors. Without this form of housing, many of the families and senior citizens would be facing a severe cost burden for housing, or they might not have adequate housing at all. As a result, the City has made a substantial commitment to regulate the City's parks so that the park residents can retain their affordable housing. Social and Human Service providers confirm the need for this program, as well as the public response to issues concerning mobile home rents at City Council meetings. The five year objective outlined in the Consolidated Plan has targeted this as a Medium Priority. The following program represents options for addressing Priority 1.5:

- **Mobile Home Rent Review Ordinance and Commission** - The City's Rent Review Ordinance only allows park owners to raise their rent by the Consumer Price Index on an annual basis. Without this control, space rents would continue to increase. As a result, park residents may face a severe cost burden. Additionally, the number of mobile home spaces are shrinking due to park closures. Because of these two factors, the affordability of mobile home rents is endangered. Therefore, the City's Rent Review Ordinance was adopted. Since very few spaces are available and park closures are common if the land is zoned something other than mobile home park exclusive, the City regulates park closures by requiring park owners to provide relocation assistance to park residents who are low income.
- **Revisions to Mobile Home Ordinance** - The City is looking to amend a portion of the mobile home rent review ordinance to decrease increases in rent to residents of mobile home parks and to tie increases in rent with the health, safety, and welfare of park residents. Currently, park residents rent increases annually according to the Consumer Price Index. It is expected that increases in space rent will be determined by a fraction of the Consumer Price Index rather than the full Consumer Price Index. Additionally, changes to the mobile home ordinance will require the park to meet and comply with the City's building codes and any violations must be cured prior to increasing space rent.

## PRIORITY 1.6

### **Utilize the Chula Vista Housing Authority as the financial vehicle for affordable housing projects**

Continue to assist in the development of affordable housing projects through the use of tax-exempt and tax credit financing. The Housing Authority is currently analyzing potential project applications for future assistance.

A major focus of the Chula Vista Housing Authority is developing affordable housing through the issuance or supporting the issuance of bond financing. For fiscal year 2002-03, the following projects are expected to be funded through a combination of tax-exempt financing issued by the Housing Authority and Redevelopment low and moderate income housing set-aside funds:

- **Main Plaza** – This mixed use project will be located at the corner of Broadway and Main Street and will provide 106 affordable family units. It is expected the financing will come from a combination of tax-exempt bonds and low and moderate income housing funds. The City will commit approximately \$1.1 million in low-mod funds. The Chula Vista Housing Authority will be the issuer of the bonds.
- **Otay Ranch** - This development will provide a total of 242 units of which in Phase 1, 91 units will be targeted to senior households. The City expects to provide financial assistance in the amount of \$910,000 in low and moderate income housing funds. This project is located in the Eastern territory of the City.

## 2. PRIORITY HOMELESS NEEDS

This section describes Chula Vista's strategies for addressing homeless needs which are identified as High or Medium priorities.

### PRIORITY 2.1

**Continue to support programs offering transitional housing opportunities for homeless families and individuals.**

The City's annual goal is to provide approximately \$35,000 for programs to assist homeless persons and families through the following programs:

- **Emergency Shelter Program** – The State Department of Housing and Community Development administers a HUD-funded Emergency Shelter Grant Program (ESG). This program provides grants to local governments and to non-profit corporations for the rehabilitation or conversion of buildings for use as emergency shelters for the homeless, for the payment of certain operating and social service expenses in connection with the emergency shelter program.
- **County of San Diego Voucher Program** – the City of Chula Vista continues to financially support the voucher program. This program provides hotel/motel vouchers to homeless families and individuals through the winter months.
- **Thursday's Meal** – This program provides meals to homeless families and individuals. Chula Vista financially supports this program.
- **South Bay Community Services** – owns and operates two transitional housing sites.

In addition, the City of Chula Vista continues to assist in addressing the needs of the homeless population by funding the following programs:

- **San Diego Regional Task Force on the Homeless** - This program has received \$6,000 in Community Development Block Grant funds since 1995 and provides Chula Vista with statistical data on the homeless population throughout San Diego County.
- **Lutheran Social Services (Project Hand)** - This program has received \$68,000 in Community Development Block Grant funds since 1995 and provides services that include, in part, shelters for the homeless, transitional housing, emergency food, clothing, and transportation. Approximately 1000 families and individuals have received assistance through this program.

Obstacles to developing, acquiring and or rehabilitating facilities for transitional housing purposes include political resistance and lack of financial resources.

### 3. PRIORITY SPECIAL NEEDS POPULATION

This section describes Chula Vista's strategies for addressing housing for special needs populations which are identified as High or Medium Priorities.

#### PRIORITY 3.1

##### **Provide supportive housing projects and programs for special needs populations.**

Special needs groups in Chula Vista include the elderly, disabled persons, female-headed households, persons with drug and/or alcohol addictions, and persons with AIDS and related diseases. Persons with special needs have housing needs which include affordable housing, accessible housing units, housing in proximity to public services and transportation, and larger units. Because many persons in special needs groups have limited abilities and opportunities to work, they require housing which is affordable and which enables them to live as independently as possible. The City funds the following agencies with Community Development Block Grant monies:

- **Fair Housing Council of San Diego** - This organization assists the City in addressing impediments to fair housing and engage in fair housing planning to remove such impediments. The Fair Housing Council has received approximately \$191,000 in CDBG funding since 1995 and has assisted over 2,200 Chula Vista residents in the area of landlord-tenant disputes and fair housing discrimination issues.
- **Adult Protective Services** - This agency provides adult day care and attempts to prevent institutionalization and improve the quality of life for disabled and disadvantaged seniors. Adult Protective Services has received approximately \$49,500 in CDBG funding since 1995 and has assisted over 2,000 Chula Vista residents.
- **Meals on Wheels** - This agency provides home delivered hot meals to seniors and has received approximately \$62,000 in CDBG funds which served over 28,000 hot meals to Chula Vista residents.
- **Lutheran Social Services (Shared Housing)** - This program provides services that match low income seniors with individuals looking for housing at a reduced cost. Shared Housing has received approximately \$23,000 in CDBG funding since 1995 and has made over 220 successful matches.

Obstacles to funding these programs at a higher level is due to a lack of financial resources, the increased demand for funding from these agencies, and the public service cap mandated by HUD.

#### PRIORITY 3.2

##### **Provide rental assistance (Section 8 Certificates and Vouchers) to lower income households with special needs overpaying for housing.**

Persons with special needs have housing needs which include affordable housing, accessible housing units, housing in proximity to public services and transportation, and larger units. Because many persons in special needs groups have limited abilities and opportunities to work, they require housing assistance which will enable them to live as independently as possible. There are 2,024 elderly renter lower income households in Chula Vista; 58 percent of the extremely low income elderly renters pay more than 50 percent of their income for housing, and 46 percent of the low income elderly renters pay more than 50 percent of their income for housing. Currently, the City contracts with the County of San Diego to administer the Section 8 Voucher program. Obstacles to providing the Section 8 Voucher program in the City of Chula Vista include the lack of staff required to start-up a completely new program and the lack of expertise in administering a program of this size.

#### 4. PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

This section describes the City of Chula Vista's strategies for addressing non-housing community development needs which are identified as High or Medium priorities.

##### A. Community Facilities

**PRIORITY 4.A.1      Continue to improve the quality of existing community facilities to serve the needs of lower and moderate- income households.**

Respondents to past Community Development Needs Assessments and Surveys ranked Youth Centers, Child Care Centers, and Parks and Recreation facilities as the highest community facility needs. With the opening of the Otay Recreation Center in the southwest area of the City, a number of services are now offered to lower income households. Focus is now on upgrading current youth facilities.

##### B. Infrastructure Improvements

**PRIORITY 4.B.1      Provide for needed infrastructure improvements in lower and moderate-income target areas.**

Respondents to past community development surveys and other community outreach methods ranked street improvements, street lighting, sidewalk construction, and drainage improvements as the highest infrastructure needs. The five-year objective as outlined in the Consolidated Plan has targeted this as a High Priority with the objective of funding infrastructure improvements consistent with the urgency of the established need for improvements.

The following capital improvement projects are expected to be funded in fiscal year 2002-03.

- ***Drainage Improvements-Oxford Street*** – There are no existing drainage facilities in this area of Oxford Street. Houses below the street pavement along Oxford Street are subject to flooding during moderate and heavy rainfalls. Construction of these improvements will help eliminate this problem.
- ***CMP Rehabilitation*** – This project involves the removal or relining of corrugated metal storm drain pipes (CMP) that are in need of repair and would also include future drainage projects.
- ***North Broadway Basin Construction*** – This project is shown as a Stage I priority. Broadway is one of the City's busiest thoroughfares. During rainy seasons, water frequently tops the easterly curb and causes flooding of the Broadway "D"
- ***ADA Curb Cuts Annual Program*** – This project constructs curb cuts throughout the city. It is expected that 14 curb cuts will be provided this fiscal year.
- ***E Street Beautification*** – Funds will be used to provide landscaping and street widening to the E Street corridor.
- ***Playground Equipment Renovation*** – Fund will be used to replace old, worn out playground equipment in the eligible census tract areas of the city.

## C. Community Services

### PRIORITY 4.C.1      **Continue to fund public services at the federally mandated cap.**

Many non-profit social service providers struggle to perform their services for the residents of Chula Vista due to budget constraints. Since the City believes the supportive services these non-profits provide are important to residents with special needs, the City funds these non-profits to ensure that their services will continue to meet the needs of low and moderate income residents of Chula Vista.

## D. Accessibility

### PRIORITY 4.D.1      **Provide for the access needs of the physically disabled.**

ADA compliance has been given high priority by the City. The City believes that it is important to make sure all recreational and governmental activities are accessible to persons with disabilities. Currently, the City is undertaking the following programs:

- **ADA Curb Cuts Annual Program** - The City has budgeted \$199,000 for curb cuts and expended \$150,000. To date, approximately 30 curb cuts have been provided throughout the City.

## E. Economic Development

### PRIORITY 4.E.1      **Continue to provide an array of Business Assistance Programs to encourage job creation through business attraction, retention, and expansion.**

The City of Chula Vista has been negatively impacted by the economic recession which began in the early 1990s. Commercial and industrial vacancies were high and the City's industrial space absorption rate was low. The fact that the City's retail sales were relatively flat despite the rapid population growth indicated that income were falling or stagnating. Currently, however, there has been a turn around in the economy and Chula Vista is enjoying increasing sales tax and property tax revenues. The following programs represent the City's efforts to address this priority:

- **Economic Development Strategy (EDS)** - The City is in the process of developing an Economic Development Strategy, a basic blue print for short- and long-range city development. The goal of the EDS is to ensure a balanced, fiscally strong community. An 18-month process, the EDS involves input from the private sector, local and regional agencies and the public and will result in an "Economic Development Element" to be included in the City of Chula Vista General Plan.
- **Redevelopment Agency** - The City of Chula Vista has one of the most active and progressive redevelopment programs in California, with close to 3,000 blighted or under-utilized acres designated under state law as 'Redevelopment Project Areas'. Chula Vista's five project areas are Bayfront, Otay Valley Road, Southwest, Town Centre I and Town Centre II. Redevelopment activities provide these areas benefits such as additional employment opportunities, more housing opportunities, increased property values and enhanced community pride. Some of the major projects to be concentrated on for fiscal year 2001-02 include the following:

- **Carter-Reese Project** – This project is located at 760 Broadway and is a proposed mixed-use residential and retail center
- **Completion of Phase I and Beginning of Phase II of the Gateway Project in Town Center 1**
- **Bayfront Commercial Center** – This project will be a 1.2 million square foot retail center and will be located at the foot of H Street
- **Bayfront Village** – This project will offer a mixed-use and transit-oriented project to be located at F Street and Woodlawn
- **Phase II of the Chula Vista Auto Mall**
- **BUSINESS RESPONSE TEAM (BRT)** – The Business Response Team (BRT) is an executive-level decision-making body that acts as both a City economic development think tank and an interdepartmental action team for commercial and industrial projects. The team focuses on four activities – developing citywide economic development policies, providing timely and competitive proposals in response to business citing opportunities, implementing interdepartmental business assistance systems and implementing a comprehensive customer service training program.
- **LOCAL EMPLOYER ASSISTANCE PROGRAM (LEAP)** – The Chula Vista Local Employer Assistance Program (LEAP) is a business retention and expansion effort started by the City in 1999. LEAP's two goals are 1) to respond to the needs of individual Chula Vista businesses, while 2) creating new programs and services that will support the local business community as a whole. To date, Chula Vista's LEAP program has assisted 44 companies, resulting in more than 400 jobs being retained in the community and over 600 jobs being created.
- **ENTERPRISE ZONE** – In a collaborative effort, the Cities of Chula Vista and San Diego, the Port District and the California Technology, Trade and Commerce Agency have added portions of the Chula Vista bayfront to the State-designated "South Bay Enterprise Zone." Commercial and industrial companies located within the Zone boundaries can take advantage of substantial State financial incentives, significantly helping several major employers, including BFGoodrich and Raytheon, and a number of planned development projects.
- **RMDZ** – The Chula Vista/South San Diego RMDZ, which encompasses the entire City, is a joint effort of the City of Chula Vista, the City and County of San Diego and the California Integrated Waste Management Board to assist companies that recycle and conserve. Chula Vista manufacturers using recyclables or diverting waste from landfills can benefit from low interest loans and technical assistance under the program.

- **HIGH TECH/BIOTECH ZONE** – In order to attract targeted high technology, bio-technical and biomedical businesses, Chula Vista has established a High Tech/Biotech Zone within the Eastlake master-planned community. The Zone offers firms several benefits, including a series of incentives intended to meet the specialized needs of high tech and biotech firms.
- **SECTION 108 LOAN GUARANTEE PROGRAM** – Under the Section 108 Loan/Loan Guarantee Program, the City can financially assist targeted companies by offering loan terms more favorable than private financing. Such loans must be approved by the Chula Vista City Council and by the U.S. Department of Housing and Urban Development; the City's total funding authority is \$10 million. The city is intending to activate a Section 108 Loan/Loan Guarantee Program. City staff is evaluating a loan to Nypro San Diego, a plastic mold injection manufacturer, for approximately \$1.8 million, for the purchase of manufacturing equipment to support job creation and retention efforts. Issuance of a loan will be subject to approval by city council contingent upon the negotiation of legal and financial terms and conditions acceptable to the city.
- **CONNECTORY.COM** – CONNECTORY.COM, an Internet database linking businesses to each other and to the global marketplace, helps Chula Vista companies be more competitive in today's rapidly changing business environment. The free business-to-business service provides detailed information about company products, services, core capabilities and capacities to potential customers on-line.

Other active Economic Development Projects include:

- **GATEWAY** – Located at Third and H Street, this \$58 million, 334,000-square foot major mixed-use commercial/office complex is anticipated to employ as many as 1,200 people. The 4.5-acre, three-phase project (two five-story and one six-story buildings) is the largest commercial development ever undertaken in the Town Center I Redevelopment Project Area.
- **LEVITON** – Leviton Manufacturing, an international leader in the electrical products industry, recently completed a \$5.9 million western regional R&D facility in Chula Vista's EastLake Business Center. The 90,000-square-foot facility will employ 200 highly skilled personnel, and will house administrative and engineering components as well as light assembly and distribution operations.
- **NLP FURNITURE INDUSTRIES** – The South County Economic Development Council, in partnership with the City of Chula Vista, facilitated the loan of \$400,000 to NLP Furniture, the largest furniture restoration company in San Diego County. The funds will allow the company to expand their current facility in Chula Vista and create 85 new jobs for low-income residents.

The Economic Development Division of the Community Development Department has worked diligently to structure partnerships with other agencies to provide an array of services such as:

- **CDC SMALL BUSINESS FINANCE** – Chula Vista has established a formal partnership with the CDC Small Business Finance Corporation, a certified Small Business Administration (SBA) financial lender. This partnership provides Chula Vista companies with access to low-interest financial support, including a variety of loan and loan guarantee programs.

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- **CONTRACTING OPPORTUNITIES CENTER (COC)** – Through a memorandum of understanding (currently submitted for Board approval) with the Contracting Opportunities Center, Chula Vista is able to offer local businesses specialized assistance in developing government contracting opportunities. All services are free to qualified small businesses
- **PROPERTY BASED BUSINESS IMPROVEMENT DISTRICT (PBID)** – Developed by a growing coalition of property and business owners, the proposed Downtown Chula Vista property-based business improvement district is a benefit assessment district designed to improve properties located within Chula Vista's central business district. The PBID will fund new improvements and activities, including economic development, marketing, parking management and maintenance initiatives, in conjunction with those currently provided by the City.
- **SMALL BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE CENTER (SBD&ITC)** - The Small Business Development and International Trade Center (SBD&ITC) offers an array of small business resources to assist entrepreneurs in Chula Vista. The City is finalizing a memorandum of understanding with the SBD&ITC to formalize its partnership.
- **SOUTH COUNTY CAREER CENTER (SCCC)** – The San Diego Workforce Partnership, Inc., in partnership with TTI of California, operates the South County Career Center, a one-stop, comprehensive workforce development and business support services for local employers. Working as a team with the City of Chula Vista, the Center seeks to find solutions individually tailored to each employer's workforce development needs.